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INTERSTATE COMMERCE COMMISSION

August 23, 1993

AUG 27 2 55 PM '93
MOTOR OPERATING UNIT

The Honorable Sidney L. Stickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Secretary:

I have enclosed an original and one copy/counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Security Agreement, a primary document, dated August 19, 1993. The security interest created hereunder is a purchase money security interest.

The names and addresses of the parties to the document are as follows:

Debtor: New Hampshire Northcoast Corp.
P.O. Box 429
Ossipee, Carroll County,
New Hampshire 03864

Secured Party: Georgetown Railroad Company
P.O. Box 529
Georgetown, Williamson County
Texas 78627-0529

A description of the equipment covered by the document follows:

forty-two (42) open top hopper railroad cars, with 200,000 lbs. capacity each, having the following registered car numbers:

6002, 6004, 6007, 6008, 6010, 6014, 6015, 6022, 6023,
6024, 6025, 6026, 6027, 6028, 6031, 6033, 6034, 6035,
6037, 6040, 6043, 6044, 6045, 6046, 6047, 6048, 6049,
6050, 6052, 6053, 6055, 6057, 6058, 6059, 6062, 6063,
6064, 6065, 6067, 6068, 6069 AND 6071

August 23, 1993

Page 2

A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation:

Georgetown Railroad Company
P.O. Box 529
Georgetown, Texas 78627-0529

A short summary of the document to appear in the index follows:

- (i) PRIMARY DOCUMENTS. Security Agreement between New Hampshire Northcoast Corp., P.O. Box 429, Ossipee, Carroll County, New Hampshire 03864, as Debtor, and Georgetown Railroad Company, P.O. Box 529, Georgetown, Williamson County, Texas 78627-0529, as Secured Party, dated July ____, 1993, and covering forty-two (42) open top hopper railroad cars, with 200,000 lbs. capacity each, having the following registered car numbers.

6002, 6004, 6007, 6008, 6010, 6014, 6015, 6022, 6023,
6024, 6025, 6026, 6027, 6028, 6031, 6033, 6034, 6035,
6037, 6040, 6043, 6044, 6045, 6046, 6047, 6048, 6049,
6050, 6052, 6053, 6055, 6057, 6058, 6059, 6062, 6063,
6064, 6065, 6067, 6068, 6069 AND 6071

- (ii) SECONDARY DOCUMENTS. None.

Very truly yours,

GEORGETOWN RAILROAD COMPANY

By: Charles R. Turner
Charles R. Turner, President

Interstate Commerce Commission
Washington, D.C. 20423

8/30/93

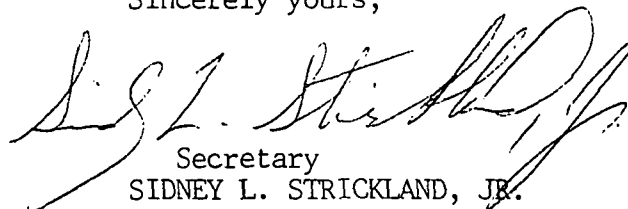
OFFICE OF THE SECRETARY

Charles R. Turner
President
Georgetown Railroad Company
P.O.Box 529
Georgetown, Texas 78627-0529

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on **8/27/93** at **2:40pm**, and assigned
recording number(s). **18375**

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

212 12

18375
REGISTRATION NO. _____ FILED 183
AUG 27 1993 -2:42 PM
INTERSTATE COMMERCE COMMISSION

THIS IS A TRUE COPY OF THE ORIGINAL

SECURITY AGREEMENT

NEW HAMPSHIRE NORTHCOAST CORP., a New Hampshire corporation, whose business mailing address is P.O. Box 429, Ossipee, Carroll County, New Hampshire 03864, hereinafter called "Debtor," and **GEORGETOWN RAILROAD COMPANY**, a Texas railroad company, whose business mailing address is P.O. Box 529, Georgetown, Williamson County, Texas, hereinafter called "Secured Party," agree as follows:

Section I

Creation of Security Interest

1.1 In order to secure the prompt and unconditional payment of the indebtedness herein referred to and the performance of the obligations, covenants, agreements and undertakings of Debtor herein described, Debtor hereby grants to Secured Party a security interest in all goods, equipment and machinery more fully described in Exhibit "A" attached hereto and incorporated herein by reference for all pertinent purposes, all accessions and appurtenances thereto, and all renewals or replacements of or substitutions for any of the foregoing (hereinafter collectively called the "Collateral") and all proceeds of the Collateral. The inclusion of proceeds does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not authorized herein.

Section II

Secured Indebtedness

2.1 This Agreement is made to secure and enforce the payment and performance of that certain promissory note dated of even date herewith, in the original principal amount of \$504,000.00, executed by the Debtor and made payable to the order of the Secured Party (the "Note"), and all obligations and liabilities of Debtor under this Agreement, and all modifications, renewals or extensions of or substitutions for, any of the foregoing. All such indebtedness is hereinafter sometimes called the "secured indebtedness" or the "indebtedness secured hereby."

Section III

Representations and Warranties

3.1 Debtor represents, warrants and covenants that Debtor's location is the address stated at the beginning of this Agreement; that Debtor is now in a solvent condition; that no bankruptcy or insolvency proceedings are pending or contemplated by or against Debtor; that all information, reports, statements and other data furnished by Debtor to Secured Party prior to, contemporaneously with or subsequent to the execution of this Agreement or in connection with the indebtedness secured hereby are and shall be true and correct and do not and will not omit to state any fact or circumstance necessary to make the statements contained therein not misleading; that Debtor is the lawful owner of good and marketable title to the Collateral and has good right and authority to grant a security interest in the Collateral; that the Collateral is free

and clear from all security interests and encumbrances except the security interest evidenced hereby; that there is no financing statement covering the Collateral or its proceeds on file in any public office; that the Collateral and the intended use thereof by Debtor comply with all applicable laws, rules and regulations; that the Collateral is free from damage caused by fire or other casualty; that Debtor is a corporation duly organized, validly existing and in good standing under the laws of the State of New Hampshire; that Debtor has full corporate power to carry on the business of Debtor as it is now being conducted and to enter into this Agreement; that the execution of this Agreement by Debtor and its delivery to Secured Party have been duly authorized by resolution of Debtor's Board of Directors; and no further corporate action is necessary on Debtor's part to make this Agreement valid and binding upon it in accordance with its terms; that the execution, delivery and performance of this Agreement does not and will not contravene or violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect and applicable to Debtor or result in a breach of or constitute a default (with or without the giving of notice or the lapse of time or both) under any indenture or any loan, credit or other agreement to which Debtor is a party or by which Debtor may be bound or affected; that the execution, delivery and performance of this Agreement does not require the consent or approval of any person, including, without limitation, any regulatory body or governmental authority; and that Debtor will warrant and forever defend the title to the Collateral and its proceeds against the claims of all persons whomsoever claiming or to claim the same or any part thereof.

Section IV

Covenants

4.1 So long as the indebtedness secured hereby or any part thereof remains unpaid, Debtor covenants and agrees with Secured Party as follows:

- (a) Debtor shall make prompt payment, as the same becomes due, of the Note and all other indebtedness secured hereby in accordance with the terms and provisions of the agreements evidencing such indebtedness.
- (b) If Debtor is a corporation, Debtor will continuously maintain Debtor's corporate existence in good standing and in full compliance with all Federal, State, Municipal and local laws, rules, regulations, orders and ordinances applicable to Debtor.
- (c) Debtor will cause the Collateral to be maintained and operated in a good and workmanlike manner and in accordance with all applicable laws and rules, regulations and orders promulgated by all duly constituted authorities. Debtor will not use, or allow the use of, the Collateral in any manner which constitutes a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto. Debtor will not do or suffer to be done any act whereby the value of any part of the Collateral may be lessened. Debtor will allow Secured Party or its authorized representative to inspect the Collateral and Debtor's books and records pertaining to the Collateral and Debtor will assist Secured Party or said representative in whatever way necessary to make such inspection. If Debtor receives notice from any federal, state or other governmental entity that the Collateral is not in

compliance with any applicable law, rule, regulation or order, Debtor will promptly furnish a copy of such notice to Secured Party.

- (d) Debtor will cause all debts and liabilities of any character, including without limitation all debts and liabilities for labor, material and equipment, incurred in the installation, maintenance and operation of the Collateral to be promptly paid.
- (e) Debtor will cause to be paid prior to delinquency all taxes and assessments heretofore or hereafter levied or assessed against the Collateral, or any part thereof, or against the Secured Party for or on account of the indebtedness secured hereby or the interest created by this Agreement and, upon request from Secured Party, will furnish Secured Party, within ten (10) days of such request, with receipts showing payment of such taxes and assessments having been made prior to the applicable default date therefor.
- (f) Debtor will keep the Collateral in good order, repair and operating condition, causing all necessary repairs, renewals, replacements, additions and improvements to be promptly made, and will not allow the Collateral to be misused, abused or wasted or to deteriorate, except for the ordinary wear and tear of its intended primary use. Debtor will promptly replace all worn-out or obsolete goods, fixtures or personal property covered by this Agreement with fixtures or personal property comparable to the replaced goods, fixtures or personal property when new.
- (g) Debtor will keep the Collateral insured in an amount equal to an amount not less than the sum of all outstanding principal, accrued unpaid interest, and other authorized charges, if any, owing under the Note and this Agreement at all times against loss or damage by fire, theft, collision and other hazards as may be required by Secured Party by policies of fire, extended coverage and other insurance in such company or companies, in such amounts, upon such terms and provisions, and with such endorsement, all as may be acceptable to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for ten (10) days written minimum cancellation notice to Secured Party. All drafts or instruments of any kind evidencing payment under any such insurance policies which come into the possession of Debtor shall be immediately delivered to Secured Party. No such policies shall be payable to any party other than Secured Party and Debtor. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Duplicate originals of all policies, verifications, binders and cover notes covering any of the Collateral shall be delivered to the Secured Party upon demand. Secured Party may act as attorney-in-fact for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. In the event there is any loss of or substantial damage to any material portion of the Collateral, then Secured Party may, at its option, declare, upon fifteen days written notice to Debtor, all indebtedness secured hereby, including principal and accrued interest, to be immediately due and payable. Secured Party may apply any proceeds of such insurance which may be received by it in payment on account of the obligations secured hereby, whether due or not.

- (h) If the Collateral is or is to be wholly or partly affixed to real estate or other goods, a description of the real estate or other goods is attached hereto as Exhibit "B" and the name of the record owner of such real estate or other goods is _____ . Said real estate is not subject to any construction mortgage. If the Collateral is wholly or partly affixed to real estate or installed in or affixed on other goods, Debtor will, on demand of Secured Party, furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate or other goods, of any interest in the Collateral which is prior to Secured Party's interest. Unless the blank spaces in this paragraph are filled* in when this Agreement is executed, the Collateral will not be affixed to any real estate of other goods so as to become fixtures on such real estate or accessions to other goods.
- (i) If the validity or priority of this Agreement or of any rights, titles, security interests or other interests created or evidenced hereby shall be attacked, endangered or questioned or if any legal proceedings are instituted with respect thereto, Debtor will give prompt written notice thereof to Secured Party and at Debtor's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal proceedings, and Secured Party (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the rights, titles, security interests and other interests created or evidenced hereby, and all expenses so incurred of every kind and character shall be a demand obligation owing by Debtor and the party incurring such expenses shall be subrogated to all rights of the person receiving such payment.
- (j) Debtor will, on request of Secured Party, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Agreement or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record or file such further instruments (including without limitation further security agreements, financing statements, and continuation statements) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Agreement and such other instruments and to subject to the security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the then Collateral; and (iii) execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) deemed advisable by Secured Party to protect the security interest hereunder against the rights or interests of third persons, and Debtor will pay all costs connected with any of the foregoing.
- (k) Notwithstanding the security interest in proceeds granted herein, Debtor will not sell, lease, exchange, lend, rent, assign, transfer or otherwise dispose of all or any part of the Collateral or any interest therein or permit the title to the Collateral, or any interest therein, to be vested in any other party, in any manner whatsoever, by operation of law

or otherwise, without the prior written consent of Secured Party. Notwithstanding the foregoing, Debtor and Secured Party hereby agree the Debtor may, from time to time, lease or rent portions of the Collateral to a parent, subsidiary or affiliate of Debtor or to a third party, if, and only if, any such lease or rental is in the ordinary course of Debtor's business and is pursuant to a written lease agreement executed by and between Debtor and such parent, subsidiary, affiliate or third party which provides that (a) the lease term shall not be longer than six (6) months, (b) the lease is expressly subject to, and the leasehold interest created thereby is subordinate to, this Agreement and the interests of Secured Party hereunder, and (c) the Debtor shall provide Secured Party with written notice of any such written lease agreement, within ten (10) days of the earlier of the date or execution of such agreement, such notice containing the name and address of the party or parties leasing any portion of the Collateral, identifying that portion of the Collateral being leased, and specifying the term of the lease agreement.

- (l) Debtor will pay all appraisal fees, filing fees, taxes, brokerage fees and commissions, Uniform Commercial Code search fees, escrow fees, attorney's fees, and all other costs and expenses of every character incurred by Debtor or Secured Party in connection with the secured indebtedness, and will reimburse Secured Party for all such costs and expenses incurred by it. Debtor shall pay all expenses and reimburse Secured Party for any expenditures, including reasonable attorney's fees and legal expenses, incurred or expended in connection with Secured Party's exercise of any of its rights and remedies hereunder or Secured Party's protection of the Collateral and its security interest therein. Any amount to be paid hereunder by Debtor to Secured Party shall bear interest from date of expenditure until paid at the lesser of eighteen percent (18%) per annum or the maximum nonusurious rate from time to time permitted by applicable law.
- (m) Debtor shall account fully and faithfully for and, if Secured Party so elects, shall promptly pay or turn over to Secured Party the proceeds in whatever form received from disposition in any manner of any of the Collateral, except as otherwise specifically authorized herein. Debtor shall at all times keep the Collateral and its proceeds separate and distinct from other property of Debtor and shall keep accurate and complete records of the Collateral and its proceeds.
- (n) The Collateral will be used in the business of Debtor and shall remain in Debtor's possession or control at all times, except as may be otherwise expressly permitted in Section 4.1(k), at Debtor's risk of loss at Debtor's location as stated herein, at such other places as Debtor may specify in writing to Secured Party, and at such other places as the Collateral, or any portion thereof, may be temporarily located pursuant to a lease agreement executed pursuant to Section 4.1(k).
- (o) Debtor will not change its address, location, name, identity or corporate structure without notifying Secured Party of such change in writing at least thirty (30) days prior to the effective date of such change.
- (p) Debtor shall furnish Secured Party all such information as Secured Party may request with respect to the Collateral.

4.2 Debtor agrees that, if Debtor fails to perform any act or to take any action which hereunder Debtor is required to perform or take, or to pay any money which hereunder Debtor is required to pay, Secured Party, in Debtor's name or in its own name, may but shall not be obligated to perform or cause to be performed such act or take such action or pay such money, and any expenses so incurred by Secured Party, and any money so paid by Secured Party, shall be a demand obligation owing by Debtor to Secured Party and Secured Party, upon making such payment, shall be subrogated to all of the rights of the person, corporation or body politic receiving such payment. Any amounts due and owing by Debtor to Secured Party pursuant to this Agreement shall bear interest from the date such amount becomes due until paid at the lesser of eighteen percent (18%) per annum or the maximum nonusurious rate from time to time permitted by applicable law and shall be a part of the secured indebtedness and shall be secured by this Agreement and by any other instrument securing the secured indebtedness.

Section V.

Events of Default

5.1 Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions which is not cured by Debtor within five (5) days as to monetary defaults, or within fifteen (15) days as to non-monetary defaults, after written notice thereof to Debtor (herein called an "Event of Default"):

- (a) Debtor's failure to pay, within ten (10) days of the date when due, all or any portion of the secured indebtedness, including but not limited to the Note.
- (b) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Agreement or in any note secured hereby.
- (c) Any warranty, representation, or statement contained in this Agreement, or made or furnished to Secured Party by or on behalf of Debtor in connection with this Agreement or to induce Secured Party to make a loan to Debtor, proves to have been false or misleading in any respect when made or furnished.
- (d) Loss, theft, substantial damage, destruction, sale or encumbrance of or to any material portion of the Collateral, or the making of any levy, seizure or attachment thereof or thereon.
- (e) Debtor's dissolution, termination of existence, insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors of Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for Debtor.
- (f) Any statement of the financial condition of Debtor or of any guarantor, surety or endorser of any liability of Debtor to Secured Party submitted to Secured Party by Debtor or any such guarantor, surety or endorser proves to be false or misleading in any respect.

- (g) Any guarantor, surety or endorser for Debtor defaults in any obligation or liability to Secured Party.

Section VI

Remedies In Event of Default

6.1 Upon the occurrence of an Event of Default, or if the value of the Collateral at any time is or becomes less than the greater of (a) the depreciated value of the Collateral as established by the American Association of Railroads, or (b) the sum of all outstanding principal, accrued unpaid interest, and other authorized charges owing under the secured indebtedness, and at any time thereafter, Secured Party shall have the option of declaring, without notice to any person, all indebtedness secured hereby, principal and accrued interest, to be immediately due and payable.

6.2 Upon the occurrence of an Event of Default, or if the value of the Collateral at any time is or becomes less than the greater of (a) the depreciated value of the Collateral as established by the American Association of Railroads, or (b) the sum of all outstanding principal, accrued unpaid interest, and other authorized charges owing under the secured indebtedness, and at any time thereafter, Secured Party is authorized to take possession of the Collateral and of all books, records and accounts relating thereto and to exercise without interference from Debtor any and all rights which Debtor has with respect to the management, possession, operation, protection or preservation of the Collateral, including the right to rent or lease the same for the account of Debtor and to deduct from such rents and lease payments all costs, expenses and liabilities of every character incurred by Secured Party in collecting such rents or lease payments and in managing, operating, maintaining, protecting or preserving the Collateral and to apply the remainder of such rents and lease payments on the indebtedness secured hereby in such manner as Secured Party may elect. All such costs, expenses and liabilities incurred by Secured Party in collecting such rents and lease payments, in managing, operating, maintaining, protecting or preserving such Collateral, if not paid out of rents as hereinabove provided, shall constitute a demand obligation owing by Debtor and shall bear interest from the date of expenditure until paid at the lesser of eighteen percent (18%) per annum or the maximum nonusurious rate from time to time permitted by applicable law, all of which shall constitute a portion of the secured indebtedness. If necessary to obtain the possession provided for above, Secured Party may invoke any and all legal remedies to dispossess Debtor, including specifically one or more actions for forcible entry and detainer. In connection with any action taken by Secured Party pursuant to this paragraph 6.2, Secured Party shall not be liable for any loss sustained by Debtor resulting from any failure to let the Collateral, or any part thereof, or from other act or omission of the Secured Party in managing the Collateral unless such loss is caused by the willful misconduct and bad faith of Secured Party, nor shall Secured Party be obligated to perform or discharge any obligation, duty, or liability under any lease agreement covering the Collateral or any part thereof or under or by remedies hereunder.

6.3 Upon the occurrence of an Event of Default, or if the value of the Collateral at any time is or becomes less than the greater of (a) the depreciated value of the Collateral as established by the American Association of Railroads, or (b) the sum of all outstanding principal, accrued unpaid interest, and other authorized charges owing under the secured indebtedness, and

at any time thereafter, Secured Party shall have all the rights of a secured party after default under the Uniform Commercial Code of Texas and in conjunction with, in addition to or in substitution for those rights and remedies:

- (a) Secured Party may enter upon Debtor's premises to take possession of, assemble and collect the Collateral or to render it unusable; and
- (b) Secured Party may require Debtor to assemble the Collateral and make it available at a place Secured Party designates which is mutually convenient to allow Secured Party to take possession or dispose of the Collateral; and
- (c) Written notice mailed to Debtor as provided herein ten (10) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice; and
- (d) It shall not be necessary that the Secured Party take possession of the Collateral or any part thereof prior to the time that any sale pursuant to the provisions of this paragraph is conducted and it shall not be necessary that the Collateral or any part thereof be present at the location of such sale; and
- (e) Prior to application of proceeds of disposition of the Collateral to the secured indebtedness, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses incurred by Secured Party, Debtor to remain liable for any deficiencies; and
- (f) The sale by Secured Party of less than the whole of the Collateral shall not exhaust the rights of Secured Party hereunder, and Secured Party is specifically empowered to make successive sale or sales hereunder until the whole of the Collateral shall be sold; and , if the proceeds of such sale of less than the whole of the Collateral shall be less than the aggregate of the indebtedness secured hereby, this Agreement and the security interest created hereby shall remain in full force and effect as to the unsold portion of the Collateral just as though no sale had been made; and
- (g) In the event any sale hereunder is not completed or is defective in the opinion of Secured Party, such sale shall not exhaust the rights of Secured Party hereunder and Secured Party shall have the right to cause a subsequent sale or sales to be made hereunder; and
- (h) Any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the indebtedness or as to the occurrence of any default, or as to Secured Party having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and the properties to be sold having been duly given, as to any other act or thing having been duly done by Secured Party, shall be taken as prima facie evidence of the truth of the facts so stated and recited; and

- (i) Secured Party may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Secured Party, including the sending of notices and the conduct of sale, but in the name and on behalf of Secured Party.

6.4 All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the secured indebtedness, or any part thereof, or otherwise benefiting Secured Party, and the resort to any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

6.5 Secured Party may resort to any security given by this Agreement or to any other security now existing or hereafter given to secure the payment of the secured indebtedness, in whole or in part, and in such portions and in such order as may seem best to Secured Party in its sole and uncontrolled discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits or security interests evidenced by this Agreement.

6.6 To the full extent Debtor may do so, Debtor agrees that Debtor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisement, valuation, stay, extension or redemption, and Debtor, for Debtor, Debtor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Collateral, to the extent permitted by law, hereby waives and releases all rights or redemption, valuation, appraisement, stay of execution, notice of intention to mature or declare due the whole of the secured indebtedness, notice of election to mature or declare due the whole of the secured indebtedness and all rights to a marshaling of the assets of Debtor, including the Collateral, or to a sale in inverse order of alienation in the event of foreclosure of the security interest hereby created.

Section VII.

Additional Agreements

7.1 If all of the secured indebtedness be paid as the same becomes due and payable and if all of the covenants, warranties, undertakings and agreements made in this Agreement are kept and performed, then and in that event only, all rights under this Agreement shall terminate and the Collateral shall become wholly clear of the security interest evidenced hereby, and such security interest shall be released by Secured Party in due form at Debtor's cost.

7.2 Secured Party may waive any default without waiving any other prior or subsequent default. Secured Party may remedy any default without waiving the default remedied. The failure by Secured Party to exercise any right, power or remedy upon any default shall not be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Secured Party of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision

hereof nor consent to any departure by Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on Debtor in any case shall of itself entitle Debtor to any other or further notice of demand in similar or other circumstances. Acceptance by Secured Party of any payment in an amount less than the amount then due on any secured indebtedness shall be deemed an acceptance on account only and shall not in any way affect the existence of a default hereunder.

7.3 Secured Party may at any time and from time to time in writing (a) waive compliance by Debtor with any covenant herein made by Debtor to the extent and in the manner specified in such writing; (b) consent to Debtor doing any act which hereunder Debtor is prohibited from doing, or consent to Debtor failing to do any act which hereunder Debtor is required to do, to the extent and in the manner specified in such writing; or (c) release any part of the Collateral, or any interest therein from the security interest of this Agreement; or (d) release any party liable, either directly or indirectly, for the secured indebtedness or for any covenant herein or in any other instrument now or hereafter securing the payment of the secured indebtedness, without impairing or releasing the liability of any other party. No such act shall in any way impair the rights of Secured Party hereunder except to the extent specifically agreed to by Secured Party in such writing.

7.4 The security interest and other rights of Secured Party hereunder shall not be impaired by an indulgence, moratorium or release granted by Secured Party, including but not limited to (a) any renewal, extension or modification which Secured Party may grant with respect to any secured indebtedness, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Secured Party may grant in respect of any item of the Collateral, or any part thereof or any interest therein, or (c) any release or indulgence granted to any endorser, guarantor or surety of any secured indebtedness.

7.5 A carbon, photographic or other reproduction of this Agreement or of any financing statement relating to this Agreement shall be sufficient as a financing statement.

7.6 Debtor will cause all financing statements and continuation statements relating hereto to be recorded, filed, re-recorded and refiled when and in such manner and in such places as Secured Party shall reasonably request, and will pay all such recording, filing, re-recording and re-filing taxes, fees and other charges.

7.7 In the event the ownership of the Collateral or any part thereof becomes vested in a person other than Debtor, Secured Party may, without notice to Debtor, deal with such successor or successors in interest with reference to this Agreement and to the indebtedness secured hereby in the same manner as with Debtor, without in any way vitiating or discharging Debtor's liability hereunder or upon the indebtedness secured hereby. No sale of the Collateral, and no forbearance on the part of Secured Party and no extension of the time for the payment of the indebtedness secured hereby given by Secured party shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Debtor hereunder or for the payment of the indebtedness secured hereby or the liability of any other person hereunder or for the payment of the indebtedness secured hereby, except as agreed to in writing by Secured Party.

7.8 To the extent that proceeds of the Note are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Collateral, such proceeds have been advanced by Secured Party at Debtor's request and Secured Party shall be subrogated to any and all rights, security interests, and liens owned by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released.

7.9 If any part of the secured indebtedness cannot be lawfully secured by this Agreement or if any part of the Collateral cannot be lawfully subject to the security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is unsecured by this Agreement.

7.10 Secured Party may assign this Agreement so that the assignee shall be entitled to the rights and remedies of Secured Party hereunder and in the event of such assignment, Debtor will assert no claims or defenses it may have against the assignee except those granted in this Agreement. The Debtor may not assign any of the Collateral or this Agreement.

7.11 Any notice, request, demand or other communication required or permitted hereunder shall be given in writing by delivering same in person to the intended addressee, or by United States Mail, postage prepaid, registered or certified mail, return receipt requested, or by overnight delivery service (i.e. Federal Express, Airborne, etc.) or by telecopier (provided that such telecopy is confirmed by mail in the manner previously described), sent to the intended addressee at the address shown herein, or to such different address as the addressee shall have designated by written notice sent in accordance herewith and actually received by the other party at least ten days in advance of the date upon which such change of address shall be effective. Secured Party and Debtor, respectively, agree to provide Boston Sand & Gravel Company, as "Guarantor" of the secured indebtedness, with copies of any notices required to be sent by them to the other party under this Agreement, with such copies to be sent to Guarantor at P. O. Box 9187, Boston, Massachusetts, 02114.

7.12 This Agreement shall be binding upon Debtor, and the successors and assigns of Debtor, including all successors in interest of Debtor in and to all or any part of the Collateral, and shall inure to the benefit of Secured Party and the successors and assigns of Secured Party. All references in this Agreement to Debtor or Secured Party shall be deemed to include all such successors and assigns.

7.13 A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Agreement to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

7.14 Secured Party may, by any employee or employees it designates, execute, sign, endorse, transfer or deliver in the name of Debtor, notes, checks, drafts or other instruments for the payment of money and receipts or any other documents necessary to evidence, perfect and realize upon the security interest and obligations of this Agreement.

7.15 The term "Debtor" as is used in this Agreement shall be construed as singular or plural to correspond with the number of persons executing this Agreement as Debtor. The pronouns used in this Agreement are in the masculine gender but shall be construed as feminine or neuter as occasion may require. "Secured Party" and "Debtor" as used in this Agreement include the heirs, executors and administrators, successors, representatives, receivers, trustees and assigns of those parties.

7.16 If more than one person executes this Agreement as Debtor, their obligations under this Agreement shall be joint and several.

7.17 The section headings appearing in this Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement. Terms used in this Agreement which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

7.18 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America. The Debtor agrees and consents to the jurisdiction of the District Courts of Williamson County, Texas, and of the United States District Court for the Western District of Texas (Austin Division) and acknowledge that such courts shall constitute proper and convenient forums for the resolution of any actions among the Debtor and the Secured Party with respect to the subject matter hereof, and agree that such courts shall be the exclusive forums for the resolution of any actions among the Debtor and the Secured Party with respect to the subject matter hereof.

EXECUTED as of the 17th day of August, 1993, to be effective as of June 1, 1993.

NEW HAMPSHIRE NORTHCOAST CORP.,
a New Hampshire corporation

By: Jeanne-Marie Bryan
Name: Jeanne-Marie Bryan
Title: Treas.

DEBTOR

GEORGETOWN RAILROAD COMPANY,
a Texas railroad company

By: C. R. Turner
Name: C. R. TURNER
Title: PRESIDENT & C.E.O.

SECURED PARTY

THE STATE OF New Hampshire §
COUNTY OF Carroll §

I, Jeanne Marie Boylan, certify that I am President of New Hampshire Northcoast Corp., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on the 19th day of August, 1993.

Jeanne Marie Boylan

THE STATE OF Texas §
COUNTY OF Travis §

I, C. R. TURNER, certify that I am PRESIDENT of Georgetown Railroad Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct.

EXECUTED on the 23rd day of August, 1993.

C.R. Turner

EXHIBIT "A"

DESCRIPTION OF EQUIPMENT

THE COLLATERAL INCLUDES FORTY-TWO (42) OPEN TOP HOPPER RAILROAD CARS, WITH 200,000 LBS. CAPACITY EACH, HAVING THE FOLLOWING REGISTERED CAR NUMBERS:

6002, 6004, 6007, 6008, 6010, 6014, 6015, 6022, 6023, 6024, 6025, 6026, 6027, 6028, 6031, 6033, 6034, 6035, 6037, 6040, 6043, 6044, 6045, 6046, 6047, 6048, 6049, 6050, 6052, 6053, 6055, 6057, 6058, 6059, 6062, 6063, 6064, 6065, 6067, 6068, 6069 AND 6071